

106TH CONGRESS  
1ST SESSION

# H. R. 3188

To provide for the disclosure of the source of gem-quality diamonds and gem-quality diamond products imported into and sold in the United States.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 1999

Mr. HALL of Ohio introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To provide for the disclosure of the source of gem-quality diamonds and gem-quality diamond products imported into and sold in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Consumer Access to  
5       a Responsible Accounting of Trade Act of 2000”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds that—

8               (1) more than half of the world’s gem-quality  
9       diamonds are imported by the United States; and

1           (2) consumers increasingly want to know the  
2           country in which gem-quality diamonds are mined in  
3           order to avoid purchases from countries in which  
4           war or human rights abuses are funded through the  
5           sales of these diamonds and other resources.

6 **SEC. 3. CERTIFICATES AND STATEMENTS INDICATING**  
7 **COUNTRY OF MINING.**

8           (a) IN GENERAL.—

9           (1) Not later than 1 year after the date of the  
10          enactment of this Act, the Secretary of the Treas-  
11          ury, after consultation with appropriate organiza-  
12          tions, Federal agencies, and members of the public,  
13          shall issue regulations requiring—

14                 (A) gem-quality diamonds; and

15                 (B) products made in whole or in part  
16          from gem-quality diamonds,

17          and which are sold in the United States to be ac-  
18          companied by a certificate stating the English name  
19          (or unmistakable abbreviation) of the country in  
20          which the diamonds were mined. Such certificate  
21          shall be legible and reasonably conspicuous on the  
22          outermost container in which the diamonds or dia-  
23          mond products ordinarily are sold to the ultimate  
24          purchaser.

1           (2) The importer of record of a gem-quality dia-  
2       mond or gem-quality diamond product shall be re-  
3       sponsible for the certificate required by paragraph  
4       (1).

5       (b) SALES THROUGH CATALOGS OR COMMUNICA-  
6       TIONS MEDIA.—If a gem-quality diamond or gem-quality  
7       diamond product that is imported into the United States  
8       and is sold in the United States through a catalog or com-  
9       munications media, the entity which prepares the diamond  
10      or diamond product for retail sale shall provide in the de-  
11      scription of such diamond or diamond product a con-  
12      spicuous statement indicating the country in which the di-  
13      amond was mined.

14   **SEC. 4. ENFORCEMENT.**

15       (a) IN GENERAL.—Whenever the Secretary of the  
16      Treasury determines that a person has violated section 3  
17      or regulations issued thereunder, the Secretary may issue  
18      an order assessing a civil penalty of not more than \$5,000  
19      for each violation or requiring compliance with such sec-  
20      tion, or the Secretary may commence in the United States  
21      district court for the district in which the violation oc-  
22      curred a civil action for appropriate relief, including a pre-  
23      liminary or permanent injunction.

24       (b) CRIMINAL PENALTIES.—Any person who willfully  
25      or with the intent to defraud violates subsection (a) or

1 (b) of section 3, or any regulation issued thereunder,  
2 shall—

3 (1) upon conviction for the first violation under  
4 this subsection, be fined not more than \$100,000, or  
5 imprisoned for not more than 1 year, or both; and

6 (2) upon conviction for the second or any subse-  
7 quent violation under this subsection, be fined not  
8 more than \$250,000, or imprisoned for not more  
9 than 1 year, or both.

10 (c) EXEMPTION.—If a gem-quality diamond or gem-  
11 quality diamond product does not comply with any re-  
12 quirement of subsection (a) or (b) of section 3 or any regu-  
13 lation issued thereunder, and the Secretary determines  
14 that no fraud or willful neglect was involved in the failure  
15 to so comply, the Secretary shall afford the person respon-  
16 sible for complying with such requirement a reasonable op-  
17 portunity to provide the certificate required by section  
18 3(a) or the statement required by section 3(b), as the case  
19 may be.

20 **SEC. 5. REPORT BY SECRETARY OF THE TREASURY.**

21 The Secretary of the Treasury shall, not later than  
22 6 months after the date of the enactment of this Act, sub-  
23 mit to the Congress a report on the feasibility of marking  
24 gem-quality diamonds with the country in which they were  
25 mined.

1 **SEC. 6. ANNUAL REPORTS BY SECRETARY OF STATE.**

2       The Secretary of State shall submit to the Congress,  
3 not later than June 1 of each year, a report on efforts  
4 by the United States, other countries, and international  
5 organizations, to prevent revenues derived from the sale  
6 of diamonds mined in war-torn regions from funding con-  
7 tinued conflict in those regions.

8 **SEC. 7. DEFINITION.**

9       For purposes of this Act, the term “gem-quality dia-  
10 mond” means any diamond whose retail sale is valued at  
11 100 United States dollars or such other value as is deter-  
12 mined by the Secretary of the Treasury on the basis of  
13 changes in the Consumer Price Index or other factors af-  
14 fecting pricing of diamonds.

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